

## Message Text

CONFIDENTIAL

PAGE 01 JAKART 11649 300717Z  
ACTION EA-12

INFO OCT-01 ISO-00 ONY-00 /013 W  
-----109036 300721Z /16  
R 300447Z AUG 77  
FM AMEMBASSY JAKARTA  
TO SECSTATE WASHDC 3510

C O N F I D E N T I A L JAKARTA 11649

STADIS////////////////////////////////////

EA ONLY FOR AMBASSADOR NEWSOM IN EA/TIMBS

E.O. 11652: GDS  
TAGS: PORG, EGEN, ID  
SUBJECT: CONSULTATIONS

1. FOLLOWING ARE MATTERS WHICH YOU OR ANOTHER MAY WISH TO  
RAISE IN APPROPRIATE QUARTERS, AS TIME PERMITS.

A) DLG. SUBJECT OF HEAD OF DLG HAS AGAIN BEEN RAISED  
AND WE HAVE REPLIED AS BEFORE IN FAVOR OF ARMY RETAINING  
POSITION RATHER THAN ROTATING IT AMONG SERVICES. A FURTHER  
WORD TO DSAA WOULD BE USEFUL.

B) NARCOTICS PROGRAM. OUR \$75,000 NARCOTICS PROGRAM  
WAS ELIMINATED BUT UPON OUR RECLAMA IT IS BEING RECON-  
SIDERED. WE ARE SHORTLY GOING TO RESUBMIT DETAILED BUDGET  
AND JUSTIFICATION BUT AGAIN A WORD FROM YOU WITH MRS.  
MATHEA FALCO WOULD BE APPRECIATED.

C) AID. IF YOU CALL ON SENATOR INOUE DO NOT FORGET  
TO RAISE GRADUATE TRAINING'S IMPORTANCE IN USAID PROGRAM.  
ALSO RURAL INFRASTRUCTURE ASSISTANCE.

D) PL 480. AS YOU WILL SEE IN JAKARTA'S 11134 AND  
STATE'S 196790, WE ARE HAVING TROUBLES AND BULOG IS  
REALLY QUITE UNHAPPY. WASHINGTON MUST UNDERSTAND NEED  
FOR GUARANTEED SCHEDULE OF DELIVERIES IF DISTRIBUTION  
SYSTEM HERE TO WORK.

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E) PROPERTY TAX. WE HAVE YET TO RECEIVE A REPLY  
ON THE QUESTION OF THE TAXATION OF FOREIGN EMBASSY  
PROPERTY OTHER THAN CHANCERIES AND RESIDENCES OF  
AMBASSADOR AND DCM. FONMIN HERE HAS THREATENED RE-  
CIPROCITY WHICH WOULD MEAN OVER 100 HOUSES TO BE TAXED.  
(JAKARTA 6737, STATE 0378.)

F) PERSONAL. PLEASE SEND DAVID'S ADDRESS FOR FOR-

WARDING OF HIS AIR FREIGHT AS SOON AS AVAILABLE.

G) FMS. PLEASE EXPRESS APPRECIATION TO EEA/TIMBS AND OTHERS CONCERNED FOR IMPROVED FMS TERMS. WE ARE, HOWEVER, SOMEWHAT PUZZLED BY REQUIREMENT FOR SIGNATURE CREDIT AGREEMENT PRIOR 30 SEPTEMBER (PARA 2, STATE 193264) RATHER THAN 30 DECEMBER AS EARLIER SPECIFIED. ALSO, ARE FAVORABLE TERMS APPLICABLE ONLY FOR F-5S OR ACROSS THE BOARD? WHERE DOES M-16 CO-PRODUCTION STAND?

H) WE HAVE BEEN ASKED FOR A CHIEF OF MISSION EVALUATION OF PERSONNEL LEVELS (STATE 201122 - LOU). I SHALL BE REPLYING IN A DAY OR TWO IN LINE WITH YOUR PREVIOUS MORE RESTRICTED MESSAGES AND WILL REQUEST THAT DEPARTMENT CONSULT YOU ON MY RESPONSE.

I) AMCHAM WOULD LIKE TO INVITE YOU TO SPEAK AT MONTHLY AMCHAM LUNCHEON ON OR ABOUT SEPTEMBER 27. AMCHAM WOULD ENJOY HAVING YOUR IMPRESSION OF U.S. BASED ON YOUR LEAVE AND CONSULTATIONS.

J) FAMILY LIAISON OFFICE. WHILE WE ARE PREPARED MOVE ON THIS, WE HAVE FOUND NO RPT NO VOLUNTEER. HOWEVER, MRS. SHOAF, WHO APPEARS QUALIFIED, HAS EXPRESSED WILLINGNESS SET UP OFFICE BUT ONLY IF SHE IS PAID SALARY ROUGHLY EQUIVALENT TO FSO-7 LEVEL. I CANNOT, OF COURSE, AUTHORIZE THIS. COULD SOMEONE FIND OUT IF EMBASSIES ARE SUPPOSED GO AHEAD ON THIS, WHETHER POSITION IS SUPPOSED TO BE VOLUNTARY OR PAID, AND, IF LATTER, WHO WILL PAY AND AT WHAT LEVEL?  
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K) IRS AND DOUBLE TAX CONVENTION. IN DISCUSSION WITH APPROPRIATE TREASURY OFFICIAL, PROBABLY ASSISTANT SECRETARY BERGSTEN, DISCUSS IRS PROBLEM RE IMPACT ON FUTURE POSITION OF U.S. OIL COMPANIES IN INDONESIA. OCCASION COULD ALSO BE USED TO BRING UP THE DOUBLE TAX CONVENTION, A SUBJECT ALSO FOR MEETINGS IN EB (JULES KATZ AND OTHERS).

L) COMMERCE. A CALL IN COMMERCE ON ASSISTANT SECRETARY FRANK WEIL AND PERHAPS DIRECTOR OF OIM DICK GARNTIEZ TO DISCUSS TRADE PROMOTION ACTIVITIES, ESPECIALLY "DINAMIKA." MR. WEIL MAY BE COMING OUT TO JAKARTA FOR RHT EOPENING OF "DINAMIKA."

M) EXIM BANK. THE USUAL EFFORT WITH THE NEW EXIM BANK CHAIRMAN, MR. MOORE, REGARDING THE KEY ELEMENT OF FINANCING ON FLEXIBLE TERMS IN OUR EXPORT PROMOTION IN INDONESIA.

N) AVIATION. WHILE NOT OF HIGH PRIORITY, IT WOULD BE USEFUL TO FIND OUT FROM AV, MIKE STYLES, THE PRESENT STATE OF PLAY.

RIVES

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## Message Attributes

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**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
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